



## Missouri Department of Elementary and Secondary Education

— *Making a positive difference through education and service* —

July 22, 2008

TO: School District Administrators

FROM: Gerri Ogle, Associate Commissioner, Administrative and Financial Services  
Roger Dorson, Coordinator, School Administrative Services

RE: July Financial Information

### July Payment Calculations

The Proposition C payment was based on the 2006-07 weighted average daily attendance (WADA) used in the June Proposition C payment. The August Proposition C payment may use the 2007-08 WADA.

The July Basic Formula payment, including Classroom Trust Fund, was calculated using the best data available for each district. Adjustments will be made in future months to reflect districts' 2007-08 data submissions and 2008-09 estimates.

### 2007-08 Audit Confirmation Report

The 2007-08 Revenue Audit Confirmation Report provides a summary of all the payments made to the district during the 2007-08 year and is available at the web site listed below. The totals on the report should correspond to the district's records for each type of revenue received from DESE. At this time, the state dollars redirected for bond payments are not listed on the Audit Confirmation. A revised Audit Confirmation Report will be posted at a later time. Amounts received at times other than the regularly scheduled monthly payments (off-line payments) are not included on the audit confirmation. If an Annual Secretary of the Board Report (ASBR) revenue edit is generated and the difference is due to an "off-line" payment, describe the payment and the amount in the Remarks section of the ASBR. A Remark may also be necessary if an edit is generated because the district refunded monies to the state.

Audit Confirmation Reports are currently available through the web application login at:

<https://k12apps.dese.mo.gov/webapps/logon.asp>. This report can be accessed through public applications or by logging into the system with a valid user id and password. Once in the system the user will select "School Finance Menu", "Reports" and "Audit Confirmation Report". On the School Finance – Reports menu the user will need to make sure the year is showing 2007-2008 and the month is June. In the future the Audit Confirmation Reports will also be available at:  
<http://dese.mo.gov/divadm/finance/FinancialRpt.html>.

### Tax Rate Hearing Notice

Effective August 28, 2007, a new requirement was added to Section 67.110, RSMo, which requires each school district to include information regarding additional revenue to be received from new construction and reassessment separately and to show a percent of additional new revenue from reassessment in the tax rate hearing notice.

## Setting 2008-09 Tax Levies

The district should have received the 2008 State Auditor's Office forms for computing the 2008 tax rate ceiling for operations and the debt service maximum levy. These forms should be completed as soon as possible and forwarded through the appropriate channels. Establishing the tax rate ceiling is fundamental in determining the actual adjusted tax levy and the placement of the levy by fund. A tax rate calculator is available on the State Auditor's web page at [www.auditor.mo.gov](http://www.auditor.mo.gov).

A District Tax Reduction Worksheet (more commonly referred to as the Prop C Rollback Worksheet) is available on the web at the following address <http://www.dese.mo.gov/divadm/finance/tools/>. For those districts completing the Prop C Rollback Worksheet, data for Line 1b (if applicable) may be found on Proposition C Compliance letters sent in March. Only districts not in compliance with the Prop C rollback requirements in 2007-08 received a letter. A listing of districts not in compliance can be found on the School Finance web page by clicking on Special Reports, clicking on Prop C and then clicking on Compliance Letters Sent. The data for Line 2a of the Prop C Rollback Worksheet and the data for Line 14 of the State Auditor's Office tax rate ceiling form can be found on the School Finance web page by clicking on Special Reports, clicking on Prop C and then clicking on State Assessed Revenues used in the Tax Rate and Prop C Rollback Calculations. Districts having received voter approval for a full waiver of the Proposition C rollback do not need to complete the Prop C Rollback Worksheet.

## Estimate of Required Local Taxes Form

The **Estimate of Required Local Taxes** form is available in an Excel file version for districts to enter the appropriate information and print to send to the county(ies) in which the district is located. This Excel file is available at the following web address <http://dese.mo.gov/divadm/finance/tools/EstimateTaxes.xls> for use in filing the district's 2008 tax levies by fund with your county(ies). A paper form will not be mailed. One form is to be sent to each county clerk in which the school district has assessed valuation. The form must be filed on or before September 1 each year in order for the school district to have a tax levy for the calendar year and current fiscal year. In addition to the summary information filed on the form, the unadjusted and adjusted levies by fund are reported.

The unadjusted levy for operations is defined as the tax rate ceiling for operations minus any voluntary rollback for operations. The tax rate for operations may be placed in the Incidental, Teachers and/or Capital Projects Funds at the discretion of the district. The unadjusted levy for the Debt Service Fund is defined as the State Auditor's calculated tax rate for debt service minus any voluntary rollback (the actual rate levied). The unadjusted and adjusted tax rates for the Debt Service Fund and the Capital Projects Fund are always the same because there is no rollback for Proposition C allowed in these funds.

The adjusted levy for operations is defined as the unadjusted levy for school purposes minus the Proposition C rollback in the Incidental and/or Teachers Fund, as appropriate, plus the Capital Projects Fund levy, if applicable. The total adjusted tax levy equals the adjusted levy for operations plus the adjusted levy for the Debt Service Fund. A district that does not have a Proposition C rollback (i.e., a district with a voter approved full waiver) will set the unadjusted and adjusted levies the same for each fund. Please pay particular attention to the asterisk footnotes on the form.

The information reported to the county(ies) on the **Estimate of Required Local Taxes** should be the same as that reported by the district on Screen 6 of the 2008-09 August Core Data Collection Cycle. If adjustments are made to the levies during the year, please ensure that the appropriate corrections are made with the county, State Auditor's Office and DESE on Screen 6 of Core Data. Direct questions regarding the completion of the **Estimate of Required Local Taxes** Excel file form to the School Finance Section at (573) 751-0357.

## 2007-08 ASBR

The 2007-08 Annual Secretary of the Board Report (ASBR) program is available from the DESE Web Applications Page located at: <https://k12apps.dese.mo.gov/webapps/logon.asp>. Users may access the ASBR by entering an appropriate userid and password. The Web Applications page may also be accessed from the DESE and School Finance web pages by clicking on the "Web Application Login" button.

The "ASBR" button found on the School Finance web page is being used as an update bulletin board to notify district staff of changes, updates and problems with the 2008 ASBR. District staff may want to refer to this site periodically to check for current ASBR information.

*The 2007-08 Annual Secretary of the Board Report (ASBR) must be submitted by midnight, **August 15, 2008** or the September Basic Formula payment will be held. Continued delay in submitting the ASBR will result in continued holding of the payment.*

Remember, simply placing ASBR data on the web pages does not equate to “submitting” the data to DESE. District staff must take specific actions to “submit” the 2007-08 ASBR. If the ASBR Status Page does not indicate a “submit date” in the appropriate column, the district ASBR has NOT been submitted.

### **Professional Development (1%) Money**

Seventy-five percent (75%) of one percent (1%) of the current year's Basic Formula current apportionment must be spent in the year received for purposes determined by the Professional Development Committee and identified in the professional development plan in relation to a school improvement plan. The other twenty-five percent (25%) of the one percent (1%) may be spent on any professional development approved by the Committee. Any portion of the one percent (1%) not expended during the year must be shown as a part of the restricted fund balance on June 30.

One compliance check the district should monitor for the year just ended, 2007-08, as well as the one beginning, 2008-09, is whether the district did (will) expend the Professional Development (1%) money. **For 2008-09**, the State Monies (Revenue Code 5311), as shown on the June Annualized Payment Calculation Report on Line 17B, is the value to use in calculating the one percent (1%) for the Professional Development Committee money for the year.

Capital outlay (equipment) is not an allowable expenditure for professional development purposes. Therefore, Function Code 2214 in the Capital Projects Fund is a closed field on the Annual Secretary of the Board Report.

### **June 2008 Cycle Attendance**

The June 2008 Cycle Attendance Report is available on the web for district review. To access this report log on to the DESE Web Applications Page located at <https://k12apps.dese.mo.gov/webapps/logon.asp> and then select Data Collection. Once in the Data Collection system, change the year to 2007-08 and select the Report Menu option from the upper-right dropdown box. Select Summary Reports, and then select the desired report (for Attendance Hours Report, select the 2007-2008 year, click on Attendance Hours and then click Get Report to view all buildings). The Attendance Hours Report shows the 2007-08 district attendance hours by grade by building and the average daily attendance for the building and the district. School Finance will contact districts when data quality concerns are noted.

### **September Membership Comparison**

September Membership reports are now available on the web. Log on to the DESE Web Applications Page located at <https://k12apps.dese.mo.gov/webapps/logon.asp> and then select Data Collection. Once in the Data Collection system, change the year to 2007-08 and select the Report Menu option from the upper-right dropdown box. Select Summary Reports. Two September Membership reports are listed for review. One report, the September Membership Comparison Report (SAR070R), compares September membership as reported by the district for the year selected and the prior year. The other report, September Membership Report (SAR080R), displays only the data for the year selected.

If there is a shift in membership numbers between counties in the 2007 year from the 2006 year, the data by county may have been reversed when entered by the district. The September 2007 membership data by county will be reported to each county to be used in various county payments to school districts during the 2008-09 year. The accuracy of the payments is dependent on the accuracy of the membership data. A January Membership report is also available.

Please review the membership data. If reporting errors are found, update the September 2007 membership on the WEB Core Data Screen 16. Remember, if a change is made to September membership, a corresponding change to enrollment may be necessary.

### **School Governance/Transportation Phone Number**

The School Governance/Transportation Phone number, 573-526-6949, is no longer a valid number. For questions regarding School Governance and Transportation please call the School Administrative Services/School Finance number, 573-751-0357.

### **Certificated Salary Compliance**

Effective in 2007-2008 the certificated salary compliance measure outlined in SB 287 (2005) is in place. To be in compliance, school districts must spend for certificated compensation costs at least the sum of:

- 1) 75% of Formula Money (excluding Classroom Trust Fund money);
- 2) 75% of one half of Proposition C; and,
- 3) as many dollars per weighted ADA from local and county tax sources as was spent the previous year.  
The first year base for local and county tax sources was established in 2006-2007. The local and county tax minimum per weighted ADA will change each subsequent year but cannot decrease from the previous year.

The placement requirements of 75% of Formula money and 75% of one half of Proposition C in the Teachers Fund are minimum amounts. Districts may place up to 100% of their Formula money and up to 100% of all their Proposition C money in the Teachers' Fund. Also, 100% of Fines and Escheats and 100% of Career Ladder state match are placed in the Teachers' Fund.

It is important to remember the following:

- 1) While Proposition C is coded as local revenue, it is not included in the local and county tax sources used in the Certificated Salary Compliance calculation of local effort since Prop C has a specific compliance requirement.
- 2) The revenue codes for local and county tax sources used in the Certificated Salary Compliance calculation are:
  - 5111-Current Taxes
  - 5112-Delinquent Taxes
  - 5114-Financial Institution Tax
  - 5115-M&M Surtax
  - 5116-In Lieu of Tax
  - 5117-City Sales Tax
  - 5221-State Assessed Railroad and Utilities
  - 5222-County Stock Insurance Fund
- 3) Local and county tax sources include not only transfers from the Incidental Fund to the Teachers' Fund but local and county revenue generated in the Teachers' Fund.

The Excel formula calculation tool includes a worksheet for certificated salary compliance. **This calculation tool was updated on July 17, 2008.** Entering the required data for 2006-07 will help the district determine the minimum local and county tax money per weighted ADA that will be required in 2007-08. If you have questions regarding Certificated Salary Compliance, please call or email School Finance (573-751-0357; [webreplyadmsf@dese.mo.gov](mailto:webreplyadmsf@dese.mo.gov))

### **Annual Report of the County Clerk to the State Board of Education**

The Annual Report of the County Clerk to the State Board of Education is tentatively scheduled to be released to the county clerks on Tuesday, July 22, 2008. If you have questions regarding this report please contact School Administrative Services/School Finance at (573)751-0357.

## ***School Governance***

### **School Governance/Transportation Phone Number Change**

The School Governance/Transportation Phone number, 573-526-6949, is no longer a valid number. For questions regarding School Governance and Transportation please call the School Administrative Services/School Finance number, 573-751-0357.

### **Residency Issues**

It is approaching that time of year when students will be registering for school and the district will be dealing with residency issues. It would be advisable, especially for districts with new administrators, to review the district's residency policy and enrollment forms. Additional information on residency, such as an enrollment checklist and residency waiver, can be found on the school governance website at: <http://dese.mo.gov/divadm/govern/index.html>. If you have questions regarding residency call the School Administrative Services at (573) 751-0357.

### **Playground Safety**

The National Program for Playground Safety provides information to help insure safe playgrounds for schools across the nation. The NPPS website can be found as a link on the school governance web page under school safety or go directly to <http://www.uni.edu/playground>.

### **MSPMA Annual State Conference**

The annual state conference of the Missouri School Plant Managers Association will be held on September 14-16, 2008 at the Country Club Hotel and Spa at the Lake of the Ozarks. A MSPMA membership form and registration form for the conference have been sent in a separate mailing. Please provide the conference information to the person in your district in charge of facilities. Additional information about the conference can be obtained by calling Mr. Tony Sloan, Executive Director, at (573) 443-0789. Registration and conference information is also available at <http://www.mspma.com/>

## ***School Transportation***

### **School Transportation Phone Number Change**

The School Governance/Transportation phone number, 573-526-6949, is no longer a valid number. For questions regarding School Governance and Transportation please call the School Administrative Services/School Finance number, 573-751-0357.

### **Annual School Bus Driver Training Required**

Missouri law requires that each school bus driver receive at least 8 hours of annual training. This includes regular route drivers, sub drivers, activity and field trip drivers, and school district staff members such as coaches and teachers who drive school buses. Training records should include who attended the training, when the training was provided, and the contents of the training.

**DESE Homepage Address:** <http://dese.mo.gov>